



**CONSUMER PERCEPTION TOWARDS SERVICE QUALITY OF BOTH
LOCAL AIRLINE SERVICES IN KOTA KINABALU, SABAH
(MALAYSIA AIRLINES – MAS & AIR ASIA)**

ROSALIA MIMIN

2010532861

**BACHELOR OF BUSINESS ADMINISTRATION WITH
HONOURS (MARKETING) FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
SABAH**

JUNE 2013

ACKNOWLEDGEMENT

First of all, greatest thanks to God for his blessings into my life during all this time and also the guidance from God until I was able to accomplish this particular report with full effort and self-confidence.

Here, I also would like to take this an opportunity to express my gratitude to my advisor, Mr. Cyril Supain for all his support, guidance, encouragement, positive comments, advice, valuable suggestion, valuable consultation time and concerns throughout the completion of this research. Your supports make me able to finish up this research properly.

On the other hand, greatest appreciations also to my family because being along with me all the times, always support me, giving me their blessings, unconditional love, moral support and also financial support that help me lot in completing this project.

To my office mate at Sabah Air Aviation Sdn Bhd, thanks to you all because being kind with me, giving me valuable information pertaining to the airline industries, being helpfulness and friendly to me as well as giving me a grateful cooperation to contribute the information which is required in my project.

Last but not least, greatest thanks from deep of my heart for those entire names who I have not mentioned in this acknowledgement, who directly and indirectly contributed to the completion of this project.

ABSTRACT

The purpose of this particular research which is entitled consumer perception towards service quality of both local airlines in Kota Kinabalu, Sabah (Malaysia Airlines – MAS and Air Asia) is to investigate the perception of consumer in terms of the service quality or customer services offered by the both of local airline services. On the other hand, the purpose of this research is also to determine which one of the local airlines are more preferable by the consumer as well as to compare the pricing, on board services, facilities and so forth. This is very important to identify in order for both of Malaysia Airlines (MAS) and Air Asia to compete with the new hybrid airline which is Malindo Air.

Therefore, the finding that the researcher found out through this particular research majority of the respondents or consumers are chose Malaysia Airlines (MAS) to be their more preferable airlines because having an excellent service quality. On the other hand, throughout this particular research there are several recommendations from the respondents in order to improve the service quality of both local airlines in Kota Kinabalu, Sabah particularly.

TABLE OF CONTENT

CHAPTERS	PAGE
1.0 INTRODUCTION	
1.1 Background of Study	1
1.2 An Overview of the Company	2
1.3 Scope of Study	5
1.4 Problem Statement	6
1.5 Research Objectives	7
1.6 Research Questions	7
1.7 Theoretical Framework	8
1.8 Significance of Study	10
1.9 Limitation of Study	11
2.0 LITERATURE REVIEW	
2.1 Consumer Perception Concept	12
2.2 Service Quality Definition	12
2.3 Airline Service Concept	13
2.4 Service Quality and Customer Satisfaction (Interrelated)	13
2.5 Service Quality Gaps	13
2.6 SERVQUAL Model	15
2.7 The Importance of Service Quality in Airline Services	16
2.8 The Product and Services for both of Airline Services	17
2.9 New Hybrid Airlines (Malindo Air) New Competitors of the Local Airlines in Malaysia	19

3.0 RESEARCH METHODOLOGY AND DESIGN	
3.1 Introduction	20
3.2 Research Design	20
3.3 Data Collection Method	21
3.3.1 Primary Data	21
3.3.2 Secondary Data	22
3.4 Sampling Design	23
3.4.1 Target Population	23
3.4.2 Sampling Techniques	23
3.4.3 Sampling Size	23
3.5 Data Entry and Data Processing	24
3.6 Data Analysis	24
3.6.1 Frequency Distribution	24
3.6.2 Reliability Test	24
3.6.3 Cross-Tabulations	23
4.0 RESEARCH FINDING	26
4.1 Respondent's Gender	26
4.2 Respondent's Races	27
4.3 Respondent's Age	29
4.4 Respondent's Occupation	30
4.5 Respondent's Income	31
4.6 Airline Services that the Respondents have been used	32
4.7 Respondent's Method of Making a Reservation	33